

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

CRYSTALLEX INTERNATIONAL CORP.,)

Plaintiff,)

v.)

BOLIVARIAN REPUBLIC OF VENEZUELA,)

Defendant.)

Misc. No. 17-151-LPS

**SPECIAL MASTER'S MONTHLY REPORT
FOR THE PERIOD ENDED JULY 31, 2024**

Dated: October 11, 2024

BY HAND DELIVERY & CM/ECF

The Honorable Leonard P. Stark
United States District Court for the District of Delaware
J. Caleb Boggs Federal Building
844 North King Street
Wilmington, DE 19801-3570

Re: *Crystallex International Corp. v. Bolivarian Republic of Venezuela*, D. Del. C.A. No. 1:17-mc-00151-LPS; Special Master's Monthly Report for the Period Ended July 31, 2024 (this "**Report**")

Dear Judge Stark:

By order dated April 13, 2021 [D.I. 258], Your Honor appointed me as Special Master in this case to design, oversee, and implement the sale of Petroleos de Venezuela, S.A.'s ("**PDVSA**") shares of PDV Holding Inc. On May 27, 2021, Your Honor issued the *Order Regarding Special Master* [D.I. 277] (the "**May 27 Order**")¹ setting forth, among other things, various obligations and duties applicable to the Special Master, the Parties, and ConocoPhillips (together with the Parties, the "**Sale Process Parties**"), including my obligation to provide the Court with a periodic status report concerning my progress and efforts. The last report that I submitted to the Court was for the period ending June 30, 2024 [D.I. 1246] (the "**June 2024 Report**"). I hereby write to provide this Report for the period since the June 2024 Report through July 31, 2024.

Summary of Events Taking Place since June 30

During July 2024, I have undertaken the following actions, with the assistance of my advisors (collectively, the "**Advisors**"), in accordance with my duties and obligations set forth in the May 27 Order:

- Engaged in various work streams related to the Marketing Process in furtherance of my obligations under the Sale Procedures Order, including:
 - Reviewing and commenting on disclosure schedules prepared by CITGO and, reviewing documents in the Data Room (as defined in the Bidding Procedures) for the preparation of the same;

¹ All capitalized terms used but not otherwise defined herein, have the meanings ascribed to such terms in the May 27 Order and the Sixth Revised Proposed Order (A) *Establishing Sale and Bidding Procedures*, (B) *Approving Special Master's Report and Recommendation Regarding Proposed Sale Procedures Order*, (C) *Affirming Retention of Evercore as Investment Banker by Special Master* and (D) *Regarding Related Matters* [D.I. 481] (the "**Sale Procedures Order**").

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- Regularly meeting with CITGO's management team regarding outstanding diligence, reviewing and responding to diligence requests from Potential Bidders, and analyzing documents in connection therewith;
 - Meeting and conferring with CITGO's management team and the advisors to address legal diligence requests;
 - Evaluating potential transaction structures with my Advisors;
 - Reviewing and analyzing Bids (as defined in the Bidding Procedures) received by the Second Round Bid Deadline (the "**Second Round Bids**" and the bidders, the "**Second Round Bidders**");
 - Conferring with the Second Round Bidders re the terms of the Second Round Bids;
 - Preparing documentation related to a potential Sale Transaction, including the Stock Purchase Agreement and related documentation, conducting analysis and research related thereto, and negotiating the same with certain Second Round Bidders;
 - Conducting analysis and research of potential antitrust matters related to potential transaction structures;
 - Preparing and negotiating Clean Team Agreements and associated exhibits to facilitate Potential Bidder access to due diligence materials;
 - Conducting research regarding various issues related to the sale procedures and sale process in preparation of the Special Master's recommendation;
 - Preparing the Special Master's recommendation and related documents;
 - Meeting with and updating OFAC on the progress of the sale process;
 - Negotiating with the PDVSA 2020 Bondholders and preparing documentation related thereto; and
 - Meeting with the Sale Process Parties regarding the selection of a Successful Bidder.
- Reviewed and analyzed motions and related filings in *Girard Street Investment Holdings, LLC v. PDV Holding, Inc.*, Case No. 24-cv-448 (S.D.N.Y.) and *G&A Strategic Investments I LLC v. PDV Holding, Inc.*, 2024-36664 (S.D. Tex.), (together, the "**Alter Ego Cases**") and conducted research and analysis related to the alter ego claims in the Alter Ego Cases.

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- Prepared for and participated in the July 2, 2024, Status Conference before the Court.
- Prepared and filed the *Special Master's Monthly Report for the Period Ended April 30, 2024* [D.I. 1220].
- Prepared and filed the *Special Master's Motion Requesting (I) Extension of the Deadline to File the Notice of Final Recommendation and (II) Adjourning of the Sale Hearing* [D.I. 1232].

Statement of Fees and Expenses

The May 27 Order requires that I submit an Itemized Statement of my fees and expenses to the Court. During the period from July 1, 2024 to July 31, 2024, my Advisors and I have incurred an aggregate of \$4,163,419.754 of fees and expenses in connection with carrying out my duties as Special Master, as shown in the table below. Pursuant to the Sale Procedures Order, the *Memorandum Order* dated January 8, 2024 [D.I. 838] (the “**January 8 Order**”), and the *Oral Order* dated January 24, 2024 [D.I. 886] (the “**January 24 Order**”), each Sale Process Party and Additional Judgment Creditor is required to make prompt payment of its allocation of Transaction Expenses as a condition to retaining its status as an Additional Judgment Creditor. Following the approval by the Court of the Transaction Expenses described in this Report, the Special Master will send an invoice to each Sale Process Party and Additional Judgment Creditor setting forth the amount such party is required to pay, as well as wire instructions for payment. All Transaction Expenses will be paid per capita by each Sale Process Party and Additional Judgment Creditor.

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|--|-----------------------------|
| Special Master | \$90,599.00 |
| Weil, Gotshal & Manges LLP | \$3,705,855.20 ² |
| Evercore | \$339,680.05 |
| Potter Anderson & Corroon LLP | \$14,657.00 |
| Santora CPA Group | \$12,628.50 |
| Total | \$4,163,419.75 |

This amount includes the monthly fees and expenses of counsel in connection with the matters described above and the monthly fees of my financial advisor, Evercore, for July, in connection with their assistance with the preparation for the Marketing Process, including the performance of due diligence and related analysis. The Itemized Statement, attached as Annex AA hereto, contains a breakdown of such fees and expenses among my Advisors and myself. I

² This amount reflects \$3,677,341.32 for fees and expenses of Weil, Gotshal & Manges LLP during the period from July 1-31, 2024, as well as \$28,513.88 for unpaid amounts related to the period covered by the *Special Master's Monthly Report for the Period Ended July 31, 2023* [D.I. 699], which amounts are included in the applicable invoice filed at D.I. 699 but were not properly reflected in the report itself.

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respectfully request that Your Honor determine that such fees and expenses are regular and reasonable. A proposed form of order is enclosed for Your Honor's consideration.

I am available at the convenience of the Court, should Your Honor have any questions.

Respectfully Yours,

/s/ Robert B. Pincus

Robert B. Pincus, in my capacity as

Special Master for the United States
District Court for the District of
Delaware

Enclosures

cc: All Counsel of Record (via CM/ECF and E-Mail)